SENATE RECORD VOTE ANALYSIS

104th Congress | February 7, 1996, 1:40 p.m.
2nd Session | **Vote No. 16** | Page S-1040 Temp. Record

FARM BILL/Sugar Program Changes

SUBJECT: **Agricultural Market Transition Act of 1996 . . . S. 1541. Gregg amendment No. 3450 to the Craig (for Leahy/Lugar) substitute amendment No. 3184.**

ACTION: AMENDMENT REJECTED, 35-61

SYNOPSIS: As introduced, S. 1541, the Agricultural Market Transition Act of 1996, will make sweeping changes to the Nation's farm policies. Farm programs will be reformed to allow farmers to plant what they want when they want, acreage reduction programs will be eliminated, and spending on farm programs will be capped so that subsidy payments will decline as part of a 7-year transition to full market-oriented farming.

The Craig (for Leahy/Lugar) substitute amendment would make numerous compromise changes (see vote No. 9).

The Gregg amendment would add the following, "Notwithstanding any other provision of this Act, none of the provisions dealing with or extending the Sugar Price Support Program shall be enforced." Current sugar program authority extends through the 1997/1998 marketing year, so the effect of the Gregg amendment would be to give the program a simple 2-year extension. (The sugar program currently operates by extending non-recourse loans to processors of sugarcane and sugar beets. Non-recourse loans are loans that can be paid with the collateral--sugar--that is put up to back the loan. Imports are also restricted. The amount of domestically grown sugar that is sold domestically may be limited in order to guarantee some access to the market for imported sugar. In practice, domestic sales of domestic sugar have been restricted to keep the price of sugar above the non-recourse loan level in order to meet the program's requirement to operate at no net cost to the taxpayers. Domestic sugar producers are subject to a budget deficit reduction tax. This bill will enact the following: the sugar program will be reauthorized for 7 years; the support price levels for cane and beet sugar will be frozen at their current levels; the no-cost requirement will be retained; the amount of domestically produced sugar that may be sold in the U.S. market will no longer be subject to restriction; a 1 cent per pound penalty will be imposed on sugar that is forfeited in payment of a non-recourse loan; the budget deficit assessment will be increased; and only recourse loans will be available when imports fall below a certain level.)

(See other side)

YEAS (35)		NAYS (61)				NOT VOTING (4)	
Republicans (20 or 40%)	**Democrats (15 or 33%)**	**Republicans (30 or 60%)**		**Democrats (31 or 67%)**		**Republicans (3)**	**Democrats (1)**
Ashcroft	Biden	Abraham	Helms	Akaka	Heflin	Domenici-2	Bradley-2
Chafee	Bryan	Bennett	Inhofe	Baucus	Hollings	Gramm-2	
Coats	Feingold	Bond	Jeffords	Bingaman	Inouye	Hatfield-2	
Cohen	Feinstein	Brown	Kempthorne	Boxer	Johnston		
DeWine	Glenn	Burns	Lott	Breaux	Kerrey		
Frist	Kennedy	Campbell	Mack	Bumpers	Leahy		
Gorton	Kerry	Cochran	McConnell	Byrd	Levin		
Gregg	Kohl	Coverdell	Murkowski	Conrad	Lieberman		
Hutchison	Lautenberg	Craig	Pressler	Daschle	Moseley-Braun		
Kassebaum	Mikulski	D'Amato	Shelby	Dodd	Murray		
Kyl	Moynihan	Dole	Simpson	Dorgan	Pryor		
Lugar	Nunn	Faircloth	Stevens	Exon	Robb		
McCain	Pell	Grams	Thomas	Ford	Rockefeller		
Nickles	Reid	Grassley	Thurmond	Graham	Simon		
Roth	Sarbanes	Hatch	Warner	Harkin	Wellstone		
Santorum					Wyden		
Smith							
Snowe							
Specter							
Thompson							

EXPLANATION OF ABSENCE:
1—Official Buisiness
2—Necessarily Absent
3—Illness
4—Other

SYMBOLS:
AY—Announced Yea
AN—Announced Nay
PY—Paired Yea
PN—Paired Nay

Compiled and written by the staff of the Republican Policy Committee—Don Nickles, Chairman

Those favoring the amendment contended:

The sugar program costs American consumers up to $2 billion per year by keeping sugar prices artificially high. Sugar prices in America are roughly 2 times as high as world prices, according to the General Accounting Office. This program is not working. By supporting sugar cane production, most of which is in Florida, the program is also driving the destruction of the Everglades. Around 50 percent of the program's benefits for sugar cane growers goes to just 17 farmers. We are very disappointed that a Republican-controlled Congress has brought this policy forward. The party that is supposed to be the champion of the free market is standing in favor of a program that allows the Government to determine how much of a major commodity may be sold each year and at what price. The Government, not surprisingly, has not been doing a very good job of matching supply to demand. It has kept prices artificially high by reducing the supply. As a result, almost half of American sugar cane refineries have gone out of business in the last 10 years. If the free market is allowed to operate, a lot more sugar at a much lower cost will be produced, lowering the cost of the hundreds of food products that use sugar and increasing the number of jobs for sugar processors.

The sugar program does not need to be reauthorized for 2 years, but its supporters, knowing how weak their case is, are trying to slip through a 7-year extension for it on this bill. They should not be allowed to get away with this effort. This program needs to be drastically reformed or totally eliminated. The little surface changes that are made in this bill will not substantively change the way it currently operates. We do not now have time to debate the issue thoroughly, but if we vote in favor of the Gregg amendment we will separate it from this bill, and will have the next 2 years to decide how to deal with the sugar program as a free-standing issue. We support that thorough consideration, and we thus support the Gregg amendment.

Those opposing the amendment contended:

When Americans go to any restaurant in America, there is one item they know they can get for free--sugar. The sugar program has guaranteed such a cheap and plentiful supply of this commodity in America that it has virtually no cost for consumers. Senators who say that the price of sugar in America is too high should be aware that it is much lower than in nearly every other industrialized country in the world. The 39 cents per pound price in America, for instance, is a good deal better than the Japan price of $1 per pound or the Norway price of 70 cents per pound. The only places, in fact, where sugar is cheaper are in Third World nations where slave wages are paid to the laborers who grow the cane.

As a general rule, history is the best teacher, and history informs us that eliminating the sugar program will not benefit either growers or consumers. The United States dropped the program in 1974, and the radical gyrations that ensued in this volatile market resulted in the price of sugar doubling and nearly resulted in the destruction of the domestic refining market. Refining sugar is a very capital intensive process. In a free market, when farmers significantly reduce production because of low prices, processing plants typically shut down, usually never to reopen. Industry survival is thus closely linked to maintaining stable floor prices. If floors are not set, the result is that the free market will end up with much higher average prices for sugar.

Our colleagues have criticized the reforms in this bill as being superficial. We, though, believe the reforms are substantive. They include that limits will no longer be placed on the domestic supply of sugar and that support prices will be frozen at their present levels for the next 7 years. We think that these changes will increase the responsiveness of the sugar industry to the market while at the same time they will provide enough stability to prevent wild fluctuations in prices and production. We do not need two more years of meditation to understand that the reforms in this bill are meritorious. We therefore urge the rejection of the Gregg amendment.